

## Stephen E. Comstock

Director, Tax and Accounting Policy

 1220 L Street, NW

 Washington, DC
 20005-4070

 Telephone
 (202) 682-8455

 Fax
 (202) 682-8408

 Email
 comstocks@api.org

www.api.org

Tuesday, August 8, 2017

## Via Electronic Filing

Donald Stockdale
Bureau Chief, Wireless Telecommunications Bureau
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Re: GN Docket No. 12-354

Dear Mr. Stockdale:

The Telecommunications Subcommittee of the American Petroleum Institute ("API") submits this letter in Petition for Rulemaking to Amend the Commission's Rules Regarding the Citizens Broadband Radio Service in the 3550-3700 MHz Band.

API is a national trade association representing more than 625 companies involved in all phases of the petroleum and natural gas industries, including exploration, production, refining, marketing and transportation of petroleum, petroleum products and natural gas. Among its many activities, API acts on behalf of its members before federal and state regulatory agencies. The API Telecommunications Subcommittee evaluates and develops responses to state and federal proposals affecting telecommunications facilities used in the oil and gas industries. API is supported and sustained by companies that make use of a wide variety of wireline, wireless and satellite communications services on both a private and commercial basis.

In the original NPRM and subsequent FNPRM, the Commission implied that the Citizen's Broadband Radio Service (CBRS) would represent broadband spectrum intended for "Citizen's" and not just as an earmark for commercial wireless carriers. The rules promoted the idea that smaller entities and business industrial users could share broadband spectrum needed for vital operations. Critical Infrastructure, including oil and natural gas companies, utilities, and local internet service providers, found a licensed broadband spectrum allocation that, not only replaced spectrum given up in the 2 GHz and 3.65 GHz regions, but was available for licensing in geographical limits that fostered more efficient uses of this spectrum for their operations. Commercial grade systems for broadband are necessary to enable the Industrial Internet of Things (IIoT) and other data-centric systems. These systems are securely positioned outside of the large public carrier space for many reasons including cybersecurity, criticality, and reliability.

While API agrees with a few points of the collective versions of the CTIA/T-Mobile Petitions for Rulemaking ("CTMP"), the main parts of the CTMP serve to fundamentally change the focus of the band

to the carrier space rather than for "Citizen's." It would place the band into three 10-year, Partial Economic Area (PEA) licensed 50 MHz blocks of spectrum, earmarked for the cellular industry. This is argued by T-Mobile (3) positive outcome assumptions:

- 1) It will facilitate greater investment in the band investments by Priority Access Licensees (PAL). In other words, by tailoring the rules for the carriers, the auction winners will spend more money.
- 2) That it will likely generate more auction revenues. This assumes that the FCC primary goal with spectrum is to use spectrum to generate revenue, rather than to best serve the Public Interest. This suggestion, which is arguable as given the number of licenses available under the current rules has a potential to develop many more transactions may not only be inaccurate, but the mere suggestion that revenue is enhanced is saying that the FCC should be swayed to abandon the idea of serving everyone by prioritizing their focus on auction revenue seems inappropriate.
- 3) CTMP assumes the FCC can still foster a "licensed-by-rule access" when the licensee is not using the spectrum. Given that every major population areas will most likely have all of the PAL's issued and in use if the CTMP is adopted, any licensed by rule access will be reserved to rural outlying areas at best. So, while this may not be an incorrect statement, the area for which it would be applicable will be of little consequence.

To preserve the spirit of this allocation, API disagrees that the FCC should

- 1) auction more than 50% of the spectrum as a PAL
- 2) permit PAL aggregation of more than (2) 10 MHz blocks
- 3) auction PALs on a PEA basis

API is somewhat neutral on the idea that a specific PAL block should be issued on a license. On one hand, carrier aggregation is important to consider. On the other hand, rules on incumbent operation and interference need accommodation. Thus, API would suggest a rule amendment indicating a "preferred frequency assignment" is more likely to make more sense, where the licensees expectation would be very high (over 95%).

As far as agreement with the CTMP, API agrees:

- 1) That the license term for the PALs should be increased from that proposed but not to (2) 10-year terms. API feels that the 3-year initial term, with a 7-year renewal expectation, instead of the current 3-year, balances the need to ensure that spectrum is put to good use, and that once the spectrum is put to good use it remains accessible for 10-years total. This is less than CTMP's proposal, but nevertheless, balances the need for investment while limiting speculation. It also supports hardware investment.
- 2) That limiting PAL availability at auction to the greater of one or one less than the number of bidders is not a prudent idea. While the FCC may set minimum bids, PAL's equivalent to 50% of the available spectrum should be made available.
- 3) That CBSD registration information deserves protection, especially at fixed wireless endpoints
- 4) That technical rules pertaining to Out-of-Band Emissions and Output Power for outdoor operations should be amended as proposed, with one caveat. Higher limits on output power should not be adopted in areas where there exists protected links that are within the grandfathering period.

The commercial wireless carriers have now garnered access to the unlicensed 5 GHz space and the existing 3.65 GHz spectrum intended for business industrial is now being lost to CBRS. It is imperative that the FCC remains true to CBRS as a "Citizen's" band. The CBRS spectrum coupled with the remainder of the 5 GHz space, which is not shared with unlicensed LTE interests or WIFI, is needed to enable far more technology and use cases in IIOT, private wireless, and other wireless systems. These systems will create value in industries, such as the oil and natural gas industry, that directly benefits the general public. The CTMP seeks to change this and tailor CBRS to their own needs at the expense of those for whom it was intended. API hopes the FCC recognizes the CBRS's value for the oil and natural gas industry, as well as in other critical infrastructure and business industrial industries, and remains true to the original intent of the band.

Sincerely,